

Consumer Price Indices for July 2018

The Census and Statistics Department (C&SD) released today (August 21) the Consumer Price Index (CPI) figures for July 2018. According to the Composite CPI, overall consumer prices rose by 2.4% in July 2018 over the same month a year earlier, remaining virtually unchanged as compared to June 2018. Netting out the effects of all Government's one-off relief measures, the year-on-year rate of increase in the Composite CPI (i.e. the underlying inflation rate) in July 2018 also remained virtually unchanged at 2.7% as compared to June 2018.

On a seasonally adjusted basis, the average monthly rate of increase in the Composite CPI for the three-month period from May to July 2018 was 0.2%, and that for the three-month period from April to June 2018 was 0.1%. Netting out the effects of all Government's one-off relief measures, the average monthly rate of increase in the Composite CPI for the three-month period from May to July 2018 was 0.2%, the same as that for the three-month period from April to June 2018.

Analysed by sub-index, the year-on-year rates of increase in the CPI(A), CPI(B) and CPI(C) were 2.5%, 2.3% and 2.3% respectively in July 2018, as compared to 2.6%, 2.3% and 2.2% respectively in June 2018. Netting out the effects of all Government's one-off relief measures, the year-on-year rates of increase in the CPI(A), CPI(B) and CPI(C) were 2.8%, 2.7% and 2.6% respectively in July 2018, as compared to 2.9%, 2.7% and 2.5% respectively in June 2018.

On a seasonally adjusted basis, for the three-month period from May to July 2018, the average monthly rates of increase in the seasonally adjusted CPI(A), CPI(B) and CPI(C) were all 0.2%. The corresponding rates of increase for the three-month period from April to June 2018 were 0.2%, 0.1% and 0.1% respectively. Netting out the effects of all Government's one-off relief measures, the corresponding average monthly rates of increase in the seasonally adjusted CPI(A), CPI(B) and CPI(C) for the three-month period from May to July 2018 were all 0.2%, and the corresponding rates of increase for the three-month period from April to June 2018 were 0.3%, 0.2% and 0.2% respectively.

Amongst the various CPI components, year-on-year increases in prices were recorded in July 2018 for food (excluding meals bought away from home) (4.8% in the Composite CPI and 4.5% in the CPI(A)); electricity, gas and water (4.2% in the Composite CPI and 4.5% in the CPI(A)); meals bought away from home (2.9% in the Composite CPI and 3.0% in the CPI(A)); clothing and footwear (2.4% in the Composite CPI and 2.2% in the CPI(A)); housing (2.2% in the Composite CPI and 2.4% in the CPI(A)); transport (2.2% in the Composite CPI and 1.6% in the CPI(A)); miscellaneous services (1.8% in the Composite CPI and 1.0% in the CPI(A)); miscellaneous goods (1.4% in the Composite CPI and 1.9% in the CPI(A)) as well as alcoholic drinks and tobacco (0.6% in both the Composite CPI and CPI(A)).

On the other hand, year-on-year decrease in prices was recorded in July 2018 for durable goods (-2.1% in the Composite CPI and -2.0% in the CPI(A)).

Taking the first seven months of 2018 together, the Composite CPI rose by 2.3% over a year earlier. The corresponding increases in the CPI(A), CPI(B) and CPI(C) were 2.5%, 2.2% and 2.2% respectively. Netting out the effects of all Government's one-off relief measures, the Composite CPI, CPI(A), CPI(B) and CPI(C) rose by 2.5%, 2.7%, 2.4% and 2.4% respectively in the first seven months of 2018 over a year earlier.

For the three months ended July 2018, the Composite CPI rose by 2.3% over a year earlier, while the CPI(A), CPI(B) and CPI(C) rose by 2.5%, 2.2% and 2.1% respectively. The corresponding increases after netting out the effects of all Government's one-off relief measures were 2.6%, 2.8%, 2.6% and 2.4% respectively.

For the 12 months ended July 2018, the Composite CPI was on average 2.0% higher than that in the preceding 12-month period. The respective increases in the CPI(A), CPI(B) and CPI(C) were 2.2%, 1.9% and 2.0% respectively. The corresponding increases after netting out the effects of all Government's one-off relief measures were 2.1%, 2.3%, 2.0% and 2.1% respectively.

Commentary

A Government spokesman said that underlying inflation pressure held largely steady in July, with the year-on-year rate of change in the underlying Composite CPI staying unchanged at 2.7%. In view of the edging up of global inflation and continued feed-through of earlier rises in fresh-letting residential rentals, local underlying consumer price inflation in the months ahead may remain somewhat higher than in the first half of 2018, when it averaged 2.4%. Yet, inflation should stay within a moderate range for 2018 as a whole. The Government will continue to monitor the situation closely, particularly the impact on the lower-income people.

Further information

The CPIs and year-on-year rates of change at section level for July 2018 are shown in Table 1. The time series on the year-on-year rates of change in the CPIs before and after removing the effects of all Government's one-off relief measures are shown in Table 2. For discerning the latest trend in consumer prices, it is also useful to look at the changes in the seasonally adjusted CPIs. The corresponding time series on the average monthly rates of change during the latest three months for the seasonally adjusted CPIs are shown in Table 3. The rates of change in the original and the seasonally adjusted Composite CPI and the underlying inflation rate are presented graphically in Chart 1.

More detailed CPI data (including year-on-year comparison, month-to-month comparison, seasonally adjusted data series and the CPIs by the Classification of Individual Consumption According to Purpose (COICOP)) are available in the monthly reports. Users can download the July 2018 issue of the "Monthly Report on the Consumer Price Index"

(www.censtatd.gov.hk/hkstat/sub/sp270.jsp?productCode=B1060001), the time series of CPIs at detailed level
(www.censtatd.gov.hk/hkstat/sub/sp270.jsp?productCode=D5600001), the time series of CPIs at COICOP division level
(www.censtatd.gov.hk/hkstat/sub/sp270.jsp?productCode=D5600002) and the time series of CPIs after netting out the effects of all Government's one-off relief measures
(www.censtatd.gov.hk/hkstat/sub/sp270.jsp?productCode=D5600003) free of charge at the website of the C&SD.

For enquiries about the CPIs, please contact the Consumer Price Index Section of the C&SD (Tel: 3903 7374 or email: cpi@censtatd.gov.hk).